

Message Text

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73

ACTION EA-10

INFO OCT-01 ISO-00 SS-15 NSC-05 CIAE-00 DODE-00 INR-05

NSAE-00 PA-01 RSC-01 USIA-06 PRS-01 SP-02 COME-00

EB-04 LAB-01 SIL-01 SAM-01 /054 W

----- 098977

R 230526Z OCT 74

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC 2388

INFO AMCONSUL BRISBANE BY POUCH

AMEMBASSY CANBERRA

AMCONSUL PERTH BY POUCH

AMCONSUL SYDNEY

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ELAB, AS

SUBJECT: GROWING SPLIT BETWEEN AUSTRALIAN LABOR PARTY (ALP) AND
CONSTITUENT TRADE UNIONS MADE PUBLIC

SUMMARY

1. IN THREE SEPARATE STATEMENTS OCTOBER 22, NEW EMPHASIS
WAS PLACED ON GROWING SPLIT BETWEEN TRADE UNION MOVEMENT AND
GOVERNING PARTY. THIS WAS MADE PUBLIC AND WIDELY REPORTED
IN MEDIA OCTOBER 23.

2. LINDSAY, NORTH, FEDERAL PRESIDENT OF THE TEXTILE
WORKERS UNION (TWU), CHARGING THAT 13,000 TEXTILE WORKERS
HAD BEEN FIRED AS DIRECT RESULT OF GAO IMPORT POLICIES,
STATED THAT HIS UNION WAS EFFECTIVELY DISAFFILIATING FROM
THE ALP AND WOULD NOT LEND FINANCIAL SUPPORT TO FUTURE
CAMPAIGNS. AT SAME TIME HE DENIED RUMORS THAT UNION
WOULD WITHDRAW FROM FEDERAL COUNCIL OF TRADE UNIONS (ACTU).

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3. IN SEPARATE ACTION GEORGE SLATER, FEDERAL SECRETARY

OF THE AMALGAMATED POSTAL WORKERS UNION (APWU) THREATENED TO TAKE SIMILAR ACTION AS TEXTILE WORKERS IF GOVERNMENT FOLLOWED THROUGH ON RECENT DECLARATION BY MINISTER OF LABOR CAMERON TO OPPOSE APWU WAGE CLAIM PUT FORWARD BY PUBLIC SERVICE EMPLOYEES BEFORE ARBITRATION COMMISSION. SLATER TOLD LABATT OCTOBER 23 THAT HE HAD TALKED TO CAMERON SINCE ISSUING STATEMENT OCTOBER 22 AND FOUND THAT CAMERON HAD MADE STATEMENT BASED ON "COMPLETELY WRONG INFORMATION" AND CAMERON "AS OF THIS MORNING" HAD NOT MADE UP HIS MIND ON ANNOUNCED GOVERNMENT ACTION. APWU WILL WATCH PUBLIC SERVICE WAGE HEARING CLOSELY BUT SLATER EXPRESSED COMPLETE DISGUST WITH "THIS FURTHER EVIDENCE OF WILD PUBLIC STATEMENTS BY BADLY INFORMED MINISTERS".

4. DURING TELEVISION INTERVIEW OCTOBER 22, ACTU PRESIDENT, ROBERT HAWKE, MADE STRONG DETAILED REBUTTAL OF STATEMENTS MADE EARLIER IN WEEK BY PRIME MINISTER WHITLAM AND TREASURER FRANK CREAN WHEN BOTH APPEALED PUBLICLY TO WORKERS TO ABATE FURTHER WAGE CLAIMS, BLAMING MUCH OF INFLATIONARY COSTS ON SUCH PAST AND PLANNED ACTIONS BY UNIONS.

5. IN STRONGEST LANGUAGE YET USED PUBLICLY BY HAWKE, HE ADMITTED THAT ECONOMIC SYSTEM IN AUSTRALIA WAS IN DISARRAY. HE COMPLAINED THAT "MINISTERS WERE TAKING EXTRAORDINARY SIMPLISTIC APPROACH TO QUESTION OF INFLATION". HE REJECTED GROWING TENDENCY TO MAKE WORKERS SCAPEGOATS FOR AUSTRALIA'S ECONOMIC TROUBLES. PURSUING FAMILIAR ALP AND ACTU LINE, HE NOTED THAT ALL COUNTRIES IN THE OECD ECONOMIC REPORTING SYSTEM WERE SUFFERING INCREASING INFLATION AND INCREASING UNEMPLOYMENT. HE ADMITTED THAT THE AUSTRALIAN SITUATION WAS WORSE THAN IN MANY OTHER COUNTRIES BUT BLAMED THE "SYSTEM" WITHIN WHICH WORKERS WERE FORCED TO LIVE. HE WENT ON TO REPEAT HIS OPINION EXPRESSED OFTEN IN LAST FEW WEEKS THAT THE AUSTRALIAN TRADE UNION MOVEMENT HAS A RESPONSIBILITY TO ASSIST THE LABOR GOVERNMENT IN LIMITING THE RATE OF INFLATION

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AND RESTORING FULL EMPLOYMENT.

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RSC-01 USIA-06 PRS-01 SP-02 COME-00 EB-04 LAB-01

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6. COMMENT: HAWKE NEARLY SAID IN PUBLIC WHAT HE HAS TOLD LABATT PRIVATELY THAT HE BELIEVES THAT AUSTRALIA IS ON THE VERGE OF ECONOMIC COLLAPSE. LABATT EXPECTS TO HEAR MORE FROM HAWKE ON CURRENT AND WORSENING SITUATION AT A PRIVATE MEETING LATER THIS WEEK. THE TWU HAS BEEN THREATENING TO WITHDRAW FROM BOTH THE ALP AND THE ACTU EVER SINCE THE GOVERNMENT INTRODUCED ITS 25 PERCENT TARIFF REDUCTION EARLIER THIS YEAR. THE UNION IS IN VERY BAD FINANCIAL AND MEMBERSHIP CONDITION. AT THE MOMENT THE NATIONAL OFFICERS FEEL THAT THEY ARE IN A DESPERATE FIGHT TO PRESERVE THE UNION ITSELF AND REGARD THEIR OBLIGATIONS TO THE LABOR PARTY AND TO THE FEDERAL COUNCIL OF THE ACTU AS OF FAR LESSER IMPORTANCE THAN THEIR OWN EXISTENCE. LABATT OBSERVED AT LARGE TEXTILE FACTORY RUN BY CANADIAN BROCK TEXTILE COMPANY AT WANGARATTA, VICTORIA THAT COMPANY HAS REDUCED WORKFORCE FROM 350 TO 100. MOST OF 250 DISCHARGED WORKERS HAVE RESIGNED FROM UNION BLAMING IT FOR NOT PROTECTING THEIR JOBS.

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AT SAME TIME 100 REMAINING AT WORK HAVE RESIGNED

FROM UNION BECAUSE THEY ARE RECEIVING LESS MONEY
FOR 40 HOUR WEEK THAN DISCHARGED FORMER EMPLOYEES
WHO ARE DRAWING UNEMPLOYMENT COMPENSATION BASED
ON AVERAGE ANNUAL EARNINGS WHICH INCLUDE MANY
OVERTIME HOURS. FEDERAL UNION OFFICIALS FEEL THEY ARE
IN "CAN'T WIN" POSITION WHICH IS NOT OF THEIR MAKING.
OFFICERS FEEL THAT RESIGNATIONS FROM PARTY IN
GOVERNMENT WILL PUT THEM IN BETTER LIGHT WITH RANK
AND FILE AND MAY SAVE BASIC STRUCTURE. POSTAL WORKERS
FIGHT WITH GOVERNMENT IS LONG STANDING ONE,
COMPLICATED BY FRUSTRATED POLITICAL AMBITIONS OF
GEORGE SLATER, WHO WAS DENIED PLACE ON VICTORIAN ALP
FEDERAL SENATE SLATE DURING 1973 FEDERAL ELECTION.
LABATT DOUBTS THAT APWU WILL ACTUALLY FOLLOW TWO
OUT OF PARTY.
BROWN

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